

Budget Subcommittee

December 1, 2021

Attendees:

Jeff Swanberg	Justine St. John	Peter Campbell	Jill Prendergast	Jon Larkin
Natasha Rivera	Mary Brannelly	Greg Johnson	Lauri Plourde	Jon Canchola

Meeting called to order at 7:01, all members present.

Minutes presented for approval for November 3, 2021. Mary Brannelly moved to accept and Natasha Rivera seconded. Motion passed 3-0 (St. John abstained as she was not at the November 3 meeting).

End of Fiscal Year Status:

Mr. Johnson advised the Town is moving closer to closing out FY21. The tax rate recap was submitted last week.

Ms. Plourde advised our local receipts collected are at about 32% and the expenses are at about 37%, both on target for where we expect to be at this point.

Ms. Brannelly inquired about whether the bond rating could be affected because of the delay in the tax recap, and also asked if the delay was covid related. Mr. Johnson advised no to both. Hoping next year will go smoother as the finance team has had a chance to learn Maynard.

Ms. Rivera asked what “on target” meant, to which Ms. Plourde replied that it is revenue that compares to the last year. Meals tax and marijuana tax is up significantly.

Mr. Swanberg asked if there is a significant amount of personal property that is not captured. Mr. Johnson does not believe there is, as he has discussed the procedures related to personal property assessment with Chief Assessor Angela Marrama and Mr. Johnson is confident in her execution. Businesses are encouraged to file applications to update their personal property listings. The applications are delivered yearly to businesses. New businesses are specifically visited to ensure initial compliance.

FY23 Discussion:

Mr. Johnson advised his staff is working on the Water & Sewer Enterprise budget which has a similar development cycle to the General Operation Budget. Mr. DeMarco and Douglas Gardner (contractor) are working together to identify costs (direct and indirect) and will be giving an analysis to the Select Board in the near future. To clarify, the Enterprise also includes capital funded by that utility *which is paid for by that utility too, through the rate structure.

Mr. Johnson stated he is working on the Town Department requests and estimates for liability insurance. He is not planning on an increase of revenue at this time-it is harder to predict. He looked at FY22 to try to predict FY23 trends: Property value is 2.5% increase plus new growth. New growth is currently estimated at \$200,000 for FY23, down from \$650,000 and he incorporated and estimate for marijuana revenue. Ambulance receipts typically go to make the payments for the ambulance-we have used that money for other items in the past, but it needs to go towards payments for the new ambulance.

Ms. Rivera asked if the PEG Access number was accurate for FY23 and expressed concern that if it is not, the schools do need to know so it can be planned accordingly. Mr. Johnson advised he will confirm that and advise Mr. Haas of his findings.

On the expense side, Mr. Johnson advised health insurance has been fairly steady over the past couple of years, but he has been advised to keep his estimates conservative because even though the Town's claims have been stable, the member's claims as a whole have been higher, which may lead to a higher rate this next year.

Capital Planning Overview:

Mr. Jon Larkin from the Capital Planning Committee gave his presentation to the Budget Subcommittee

He gave an overview of what Capital Planning had been working on, and the research they had done to date. They created a master list and have met with Mr. DeMarco and reviewed DPW requests and gone on two site visits to better understand requests.

They have a spreadsheet to help prioritize projects based on a number of different factors, including: criteria, need, priority assigned by department head, impact to community and the three current members individually score the projects based on: improving public safety, needed to comply with regulations, helping the town grow, operational necessity, long term savings and if it is in line with community vision.

They will then work to identify funding sources-grants, operational budget, free cash, etc, and then build a multi-year plan from there.

Mr. Larkin explained they have looked at past history, because it is commonly said that the town doesn't spend a lot on capital. When he started looking into it, he said the Town is able to get a lot done every year, even with budget constraints.

Mr. Campbell asked how Capital Planning felt departments had done projecting out five years-Mr. Larkin said some departments have done better than others, but overall they seem to be doing well. Ms. Brannelly asked if they plan on working with departments to help them make 5 year plans-it is believed the more they go through this process, the better they will become. Mr. Campbell advised that requests from departments that have emergency situations should be scrutinized more, and asked why they didn't plan for the situation.

Ms. Rivera asked how much money Capital Planning will be using to decide what to fund. Mr. Johnson hasn't given the firm number yet, as some of it is fluid (like free cash after snow & ice, general stabilization, OPEB and other items have been funded).

Mr. Swanberg thanked Mr. Larkin and Capital Planning for the presentation. He would like to know how we can get the data to the public, and how it will be presented. Mr. Larkin lost connection and Mr. Canchola stepped in to show the actual spreadsheet they are using. There are 6 different categories that rated 1-10. Ms. Rivera wanted to know if the categories were somewhat subjective, due to no definition of what a "1" equals, etc.

Mr. Canchola explained they individually rate the projects, and then come together and talk it all out. When it is finished they will be able to show the aggregate.

Ms. Rivera asked if there was a way to indicate the funding source-Mr. Larkin advised that is the next step-to breakdown cost and identify funding sources. Ms. Rivera asked if there was a way to identify if there may be a funding source, and Mr. Larkin advised they track that with notes.

Mr. Campbell advised the Finance Committee would be would be interested in the “supports new growth” category.

Mr. Swanberg inquired if the form the department heads fill out asks about future maintenance costs. It does, but the input right now is spotty. They hope to grow relationships with department heads and get a better response for that. The worksheet also doesn’t calculate partial funding at the moment, but they are working on that too.

Mr. Campbell asked how these requests would get to Community Preservation if the request could be submitted there. Mr. Canchola advised they have a liaison on CPC and have started the process of identifying what requests could be fulfilled by those grants. There have been preliminary applications submitted at this point.

Ms. Rivera asked if there was an analysis of what would be CPC applicable. Mr. Larkin advised that is still in progress on the spreadsheet.

Comparison Communities:

Mr. Swanberg advised no updates at this time.

Wrap Up:

Next meeting was scheduled-Wednesday 1/12 at 7pm.

Jeff Swanberg made a motion to adjourn, Natasha Rivera seconded. All in favor (4-0).